



Department of Justice

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JUSTICE DEPARTMENT SETTLES CIVIL CONTEMPT CLAIM AGAINST REPUBLIC SERVICES INC.

Republic Services Inc. Agrees to Pay \$1.5 Million Civil Penalty

WASHINGTON, D.C. - Republic Services Inc. has agreed to pay a \$1.5 million civil penalty as part of a settlement with the Department of Justice that resolves Republic's alleged violations of an existing 2000 consent decree in connection with an exchange of certain waste hauling and disposal assets by Republic and Allied Waste Industries Inc. Part of the \$1.5 million civil penalty paid to the United States includes reimbursement to the government for the costs of its investigation into alleged violations in the Lakeland, Florida and Louisville, Kentucky areas.

The Department filed a settlement agreement and enforcement order today in U.S. District Court in Washington, D.C. that ensures Republic's compliance with its obligations under the 2000 consent decree. The settlement agreement and order are subject to court approval.

"This settlement demonstrates that the Antitrust Division will continue to monitor and enforce its consent decrees," said R. Hewitt Pate, Assistant Attorney General in charge of the Department's Antitrust Division. "This particular enforcement action will help preserve competition in the small container commercial solid waste collection markets that the original decree was designed to protect."

In today's filing, the United States alleged that Republic's operations in both Lakeland and Louisville used contracts with terms less favorable to customers than the terms mandated by the 2000 consent decree. The proposed order further requires that Republic exchange all of its

existing customer contracts containing terms exceeding those required by the decree, with contracts containing terms no more restrictive than those required by the decree. Finally, Republic is required to implement a comprehensive compliance program to ensure that in the future Republic conforms fully with the requirements of the decree and the settlement agreement and enforcement order.

In June 2000, the Department filed a complaint and consent decree requiring Allied Waste Industries Inc. and Republic Services Inc. to sell waste collection and disposal assets, and agree to contract modifications affecting 11 metropolitan areas in order to proceed with their proposed multi-million dollar exchange of assets.

Under the 2000 consent decree, Republic was required to alter its customer contracts in six geographic areas, including Lakeland and Louisville, to provide shorter terms, limited termination fees, and more flexibility on renewal notices. The purpose of this contract relief was to make it easier for Republic's customers to switch to competing waste collection services.

Republic Services Industries Inc., based in Ft. Lauderdale, Florida, is a leading provider of nonhazardous solid waste collection and disposal services in the United States, with annual revenues of \$2.5 billion.

Allied Waste Industries Inc., headquartered in Scottsdale, Arizona, is the second largest waste hauling and disposal company in the United States.

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